

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2811 – HB 3070

May 3, 2010

SUMMARY OF AMENDMENT (018022): Deletes the language of the original bill. Authorizes Shelby County to sell at public auction commercial and residential properties that are subject to tax sale that are located in a federally designated empowerment zone or renewal community. Defines “residential property” as property that is abandoned or vacant and for which a citation has been issued for violation of local anti-neglect ordinance which was subsequently ignored or where the violation was not corrected. The minimum bid must be the lesser of the property's assessed value or the total taxes, interest, penalties, and costs of collection owed.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Some properties will be sold to third parties who will pay all back taxes, penalties, interests and costs of collection. As to these properties, there is no net fiscal impact to Shelby County. Other properties for which there is no third-party buyer will be purchased by Shelby County for the amount owed. As to any properties purchased by Shelby County, the County will effectively convert a cash asset into a real property asset. The value of assets converted in this manner cannot reasonably be determined but is estimated to exceed \$10,000.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions applied to amendment:

- According to Shelby County and the Office of the Comptroller, the number of qualifying properties cannot be determined. In the absence of data, it is estimated that properties with a cumulative tax delinquency exceeding \$10,000 will be purchased by Shelby County.

- Expanding the definition of “residential property” will not change the fiscal impact of the original bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

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